



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE
HARRISBURG

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

July 29, 1994

The Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, N. W.
Washington, D. C. 20554

RE: Billed Party Preference; CC Docket No. 92-77

Dear Chairman Hundt:

The Commonwealth of Pennsylvania, Governor's Office of Administration, is opposed to the application of Billed Party Preference (BPP) to collect calls placed by inmates at the State Correctional Institutions (SCI). The Office of Administration is responsible for all telecommunications service in agencies under the jurisdiction of the Governor, to include the Department of Corrections.

We do not feel that this proposal is in the best interest of the Commonwealth for three principal reasons: the loss of the ability to manage and control the calls placed by inmates; the loss of revenue now used to support the Pennsylvania Inmate General Welfare Fund, and the fact that the cost of inmate calls to the billed party can be adequately controlled by means other than Billed Party Preference.

First. A Commonwealth of Pennsylvania Request for Proposal (RFP) evaluation committee is currently reviewing proposals which, when a contract is signed, will in part provide a system for managing and controlling the calls placed by inmates from the 22 State Correctional Institutions (SCI). The extent of illicit calling activity and the dollar value of the scams perpetrated by prisoners using the inmate telephones have been substantiated by both State and Federal Secret Service investigations. As a result, the installation of a system to control inmate calling from each of our prisons has become mandatory to protect businesses as well as individuals from this inmate calling activity. The introduction of BPP will seriously impede the effort to

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manage and control inmate calls. Clearly, part of the control process is to develop evidence that will support the prosecution of not only the inmate, but also the intermediary or, in many cases, the called party. The introduction of the variable of a mix of long distance carriers will seriously impede the investigatory process if not eliminate most of the control methodology and procedures that can be used today. The ability to provide cross inmate or institution reporting within a data base and the tracking of calls to a particular number by one long distance carrier to resolve inmate telephone fraud is absolutely critical. In addition, although it seems obvious, it must be said that an interexchange carrier (IXC) cannot be expected to fund inmate fraud and control technology without having the traffic from the prison presubscribed. Clearly, the cost of the equipment and software is charged to the revenue derived from the inmate calls being delivered over its network.

Second. In Pennsylvania, all commissions from the inmate calling program must be put into the Inmate General Welfare Fund and be used only for recreational and leisure time activities of the inmates. The loss of the commissions derived from the inmate calling program will put an unacceptable requirement on an already severely strained General Fund Budget if the current level of services to the inmate population is to be continued. Based upon past history, the revenue from inmate telephone commissions is projected at \$2.2 million for the 1994-95 budget year. Examples of uses of these funds are: recreation and athletic equipment, outside entertainment such as musical groups, audio visual equipment, literary materials, visiting room and day room facilities and furnishings, artist programs and chapel activities.

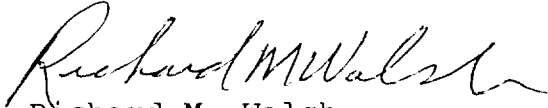
Third. The Commonwealth of Pennsylvania already has addressed the issue of the cost of calls from the prisons to inmate families and friends. The current contract for IXC service and the RFP now in evaluation stipulate that the vendor's rates for intralata collect calls from inmate stations must not exceed the rates charged by the local exchange carrier and approved by the Public Utility Commission (PUC), and that the vendor's rates for interlata collect calls must not exceed the Federal Communications Commission (FCC) approved rates of the dominant long distance carrier. Rates are a valid concern. However, Billed Party Preference is not the solution.

I trust that you will find this information useful in assessing the impact of the Billed Party Preference proposal

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if it is adopted. From our point of view, the negative impacts of the proposal on the inmate calling arena far outweigh any potential benefits.

Sincerely,



Richard M. Walsh